New Systems in 2001

There were no new systems operating in Washington State in 2001.

Efforts to Create or Expand Transit Districts

There were no annexations to any of the public transportation benefit areas this year.

Efforts to Increase Tax Rates

Four transit systems submitted taxing propositions to increase local sales tax rates for public transportation to their voters in 2001. Voters approved three of them.

- In March, residents of Mason County rejected increasing Mason County Transportation Authority's 0.2% sales and use tax to 0.6%, but approved it in September.
- In May, residents of Ben Franklin Transit's service rejected increasing its 0.3% sales and use tax to 0.6%.
- In May, residents of Kitsap County approved increasing Kitsap Transit's 0.5% sales and use tax to 0.8%.
- In September, residents in Community Transit's service area in Snohomish County approved increasing its 0.6% sales and use tax to 0.9%.

Federal Funding

Congress appropriated federal funding for public transportation programs for the federal fiscal year ending September 2001 consistent with levels authorized in the Transportation Equity Act for the 21st Century (TEA-21). The following table shows these levels.

Area	Funding	Source	Purpose
Seattle-Everett	$55,670,041	Section 5307	Formula
Seattle-Everett	$16,455,803	Section 5309	Fixed Guideway
Sound Transit	$49,532,158	Section 5309	Light Rail
Sound Transit	$4,953,216	Section 5309	Commuter Rail
Sound Transit	$1,980,630	Section 5309	Buses
King County	$1,980,630	Section 5309	Buses & Facilities
King County	$2,970,945	Section 5309	Park and Ride Lots
Renton	$495,157	Section 5309	Transit Project
Everett	$1,485,472	Section 5309	Buses
Snohomish Co.	$990,315	Section 5309	Buses & Facilities
Tacoma	$11,548,531	Section 5307	Formula
Tacoma	$707,077	Section 5309	Fixed Guideway
Spokane	$5,082,128	Section 5307	Formula
Spokane	$3,962,572	Section 5309	Light Rail
Vancouver	$990,315	Section 5309	Facilities
Tri-Cities	$936,677	Section 5307	Formula
Tri-Cities	$990,315	Section 5309	Facilities
Yakima	$967,942	Section 5307	Formula
Bremerton	$1,154,063	Section 5307	Formula
Olympia	$897,869	Section 5307	Formula
Olympia	$1,237,894	Section 5309	Buses
Bellingham	$595,741	Section 5307	Formula
Longview	$504,093	Section 5307	Formula
Rural (WSDOT)	$3,684,623	Section 5311	Formula
Rural (WSDOT)	$1,237,894	Section 5309	Buses
Grant County	$435,738	Section 5309	Buses
Clallam Transit	$495,157	Section 5309	Transp. Center
Annual Total*	**$171,942,996**		

*Excludes Vancouver Section 5307 Formula shared with Portland, Oregon.

State Funding

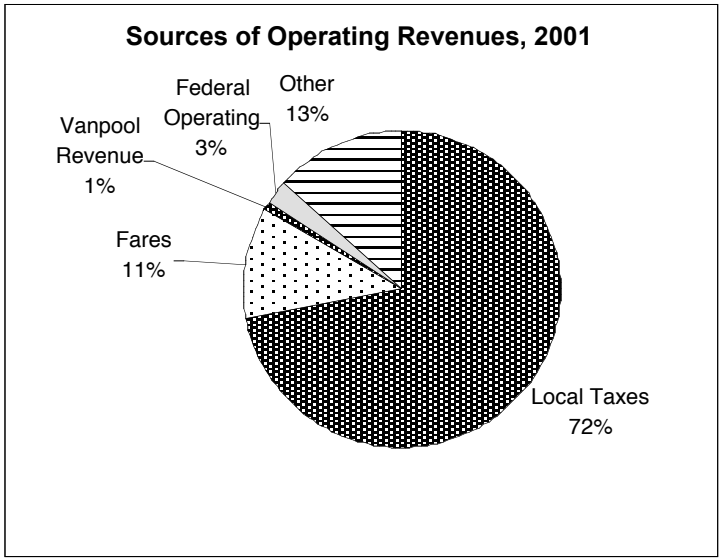
There was no state funding or state-shared revenues for public transportation purposes in 2001. This was the first year that no state revenues were available for public transportation purposes since 1972.

Local Funding

- Statewide, local tax revenues increased 11.73 percent.
  - This source increased at least 8.5 percent over 2000 for the following transit systems: Ben Franklin Transit, Clallam Transit, Grays Harbor Transportation Authority, Island Transit, Jefferson Transit, King County Metro Transit, Kitsap Transit, and Valley Transit — all of which, except Ben Franklin Transit and Valley Transit, increased their taxing rates in 2000.
  - Five transit systems received less sales tax revenue in 2001 than in 2000 — Cowlitz Transit Authority, Everett Transit, Pacific Transit, Skagit Transit, and Whatcom Transportation.
- Farebox revenue increased about 7.85 percent — for all service types, statewide. Only Everett Transit managed to exceed this average **and** have increases in ridership for **each** service type.
- The chart, *Sources of Operating Revenues, 2001*, shows the percentage shares of operations-related revenue according its source.

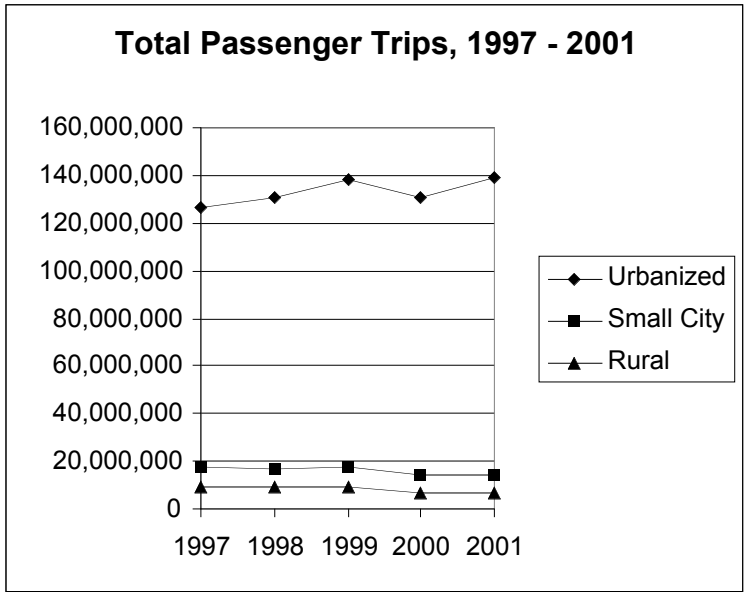
Statewide Levels of Service

- 5,228,639 residents of Washington State had access to some form of public transportation service in 2001. This represents 87.51 percent of the state's population. King County represents 1,758,300 residents, or 29.4 percent of the state's population with access to public transportation.
- Most of the state's systems increased public transportation services over 2000 levels. For the most part, they became more efficient by reducing hours or miles of service but not both.



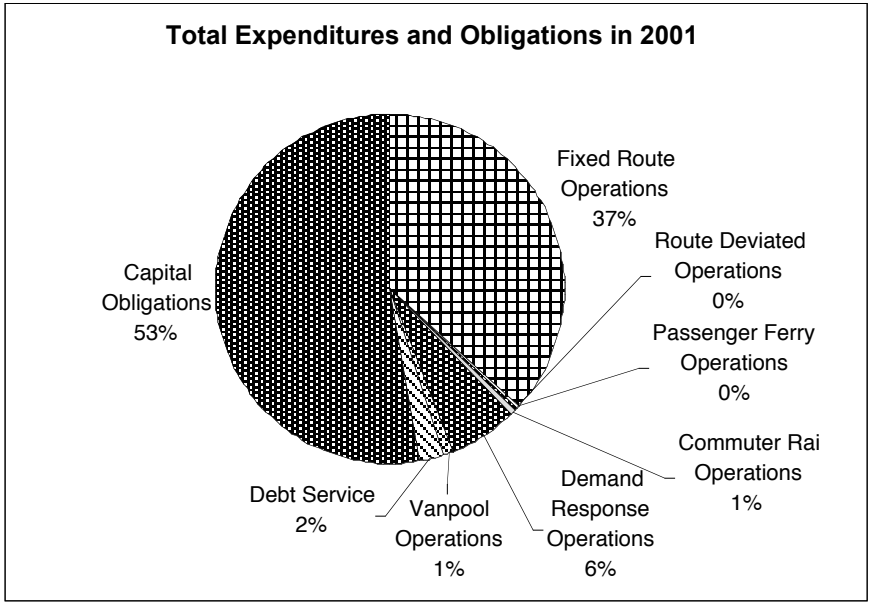
  - Ben Franklin Transit, C-TRAN, Intercity Transit, Spokane Transit, Skagit Transit, and Whatcom Transportation reduced fixed route services.
  - Mason County Transportation and Twin Transit reduced route deviated services.
  - Only Mason County Transportation, Pierce Transit, Skagit Transit, Twin Transit, and Whatcom Transportation reduced demand response services.
- However, almost all systems increased vanpool operations above 2000 levels of service. Only Ben Franklin Transit and C-TRAN reduced these operations.
- Fixed route service carried more than 93 percent of all passenger trips supplied by public transportation operations in the state in 2001. It increased 4.60 percent over 2000 levels. However, the proportions sharing in this increase were disproportionate.

  - Those serving small cities dropped 6.56 percent and those serving rural areas lost 2.58 percent.
- Statewide, demand response service also increased 3.86 percent over 2000 levels — roughly comparable to the increase in its total vehicle hours of service.
  - Ridership on demand response services of transit systems serving small cities increased 9.74 percent and those serving rural areas increased 1.04 percent.
- Vanpool programs carried 1.44 percent more passengers in 2001 over 2000. Their share of total passenger trips remained virtually the same as demand response services.
- The chart, *Total Passenger Trips, 1997 - 2001*, shows how combined passenger trips for fixed route, demand response, and route deviated services changed between urbanized, small city, and rural areas.



Expenditures

- Federal grants for capital development, including purchases of equipment and vehicles, and construction of facilities, increased 5.5 percent over 2000 levels. Sound Transit represented more than 80 percent of total statewide capital obligations in 2001.
- Operating expenses increased 5.26 percent, statewide — varying between 2.39 percent increase in rural areas to 5.30 percent increase in small city areas.
- The chart, *Total Expenditures and Obligations in 2001*, displays these percentage shares.



Performance Measures for Public Transportation

The state legislature introduced at least nine pieces of legislation to enact the final recommendations of the Blue Ribbon Commission on Transportation (BRCT). None of them passed in 2001.

However, Section 35.58.2796 RCW contains several performance measures for consideration. Beginning this year, this summary includes areas combined by medians. This is consistent with pending legislation associated with benchmarking. Medians are the midpoint in the range of each area — urbanized, small city, rural, or statewide.

Passenger Trips per Vehicle Revenue Hour and Passenger Trips per Vehicle Revenue Mile

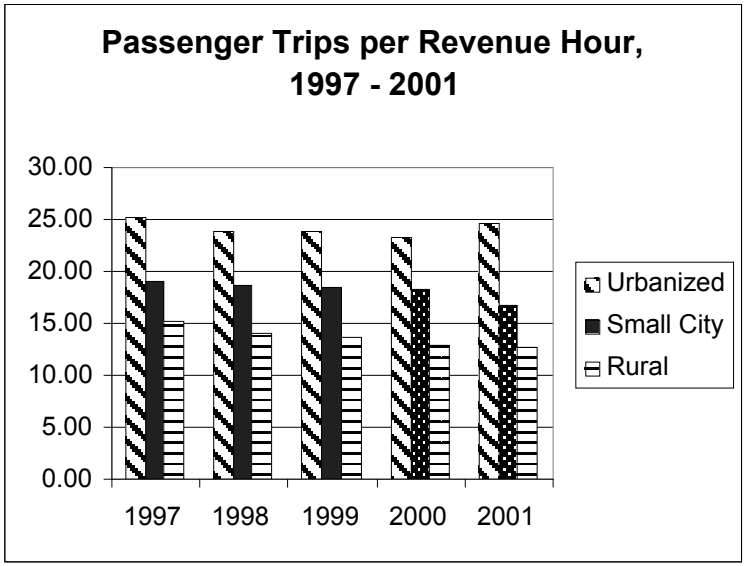
Two performance measures, passenger trips per vehicle revenue hour and passenger trips per vehicle revenue mile, reflect service effectiveness. They are affected by the seating capacity of buses used and how often they operate. Typically, systems serving larger populations living closer together use larger buses and operate more frequently.

The transit industry seems to prefer using vehicle revenue hours to vehicle revenue miles. Miles are easier data to collect. Hours — when associated with ridership in the form of passenger trips or with operating costs — seem to be the better gauge of performance.

"Passenger trips per vehicle revenue hour" indicate how many people a transit system transports in an hour of service. Although for 2001:

- Fixed route service carried more passengers, with medians ranging between 15.8 per revenue vehicle hour in rural areas to 24.5 in urbanized areas.
- Route deviated service in rural areas carried fewer with 7.5 per revenue vehicle hour.
- Demand response service carried fewest, with medians ranging between 2.8 per revenue vehicle hour in urbanized areas to 3.5 in small city areas.

The following chart displays the pattern for this performance measure in Washington State over the past five years.



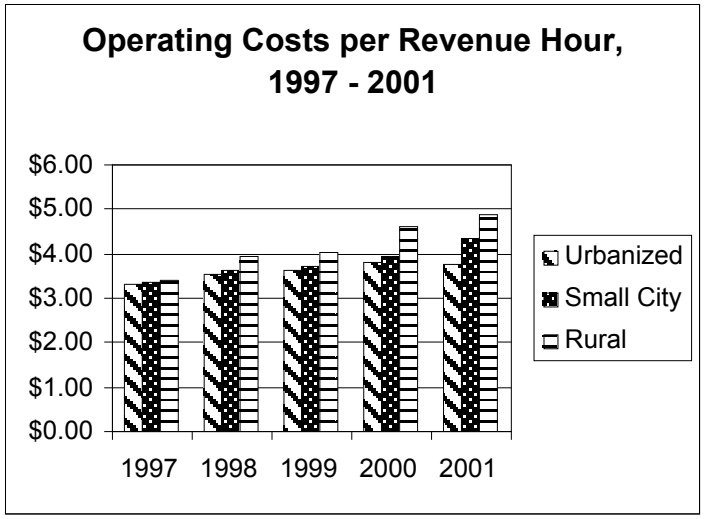
Operating Costs per Vehicle Revenue Hour and Operating Costs per Vehicle Revenue Mile

Operating costs per vehicle revenue hour and operating costs per vehicle revenue mile are measures of efficiency. Operating costs are affected by overhead (administrative staff needed to respond to requirements of federal and local jurisdictions — more significant in more urban areas) and the number of operating bases for vehicles (one base serving a large area means higher fuel and labor costs expended to get to and from routes for both revenue and service vehicles).

"Operating costs per vehicle revenue hour" depicts total operating costs as function of the number of hours a transit system provides revenue service. In 2001:

- Fixed route service costs more to provide service, with medians ranging between $71.02 per vehicle revenue hour in rural areas to $79.16 in urbanized areas.
- Demand response service is less expensive, with medians ranging between $52.17 per vehicle revenue hour in small city areas to $64.36 in urbanized areas.
- Route deviated service in rural areas is least expensive at $47.07 per vehicle revenue hour.

The following chart displays the pattern for this performance measure in Washington State over the past five years.



Operating Costs per Passenger Trip

Use of service measured by passenger trips is an independent variable. Often passengers ride due to low fare rates (including those subsidized by employers and schools), superior marketing, or good service between origin and destination. Therefore, a low cost per passenger trip may be more representative of the system's use — just as a high cost per passenger trip might reflect higher fare rates, poor marketing, and/or poorer or less frequent service.

"Operating cost per passenger trip" estimates annual operating costs — not including debt serving, capital purchases, or less typical transit costs such as rideshare coordination — as function of the number of passengers a transit system transported in fixed route, demand response, and route deviated services. In 2001:

- Demand response service costs more to provide service, with medians ranging between $11.14 per passenger trip in small city areas to $22.88 in urbanized areas.
- Route deviated service in rural areas is cost considerably less at $7.02 per passenger trip.
- Fixed route service costs the least, relatively, with medians ranging between $3.14 per passenger trip in urbanized areas to $5.05 in rural areas.

Farebox Recovery

Local policies affect the following performance measure, farebox recovery. Lower recovery rates, particularly for demand response service, is due to fare-free or reduced fare policies practiced by most transit systems for the categories of passengers most likely to use or need this type of service: elderly persons and persons with disabilities.

Farebox recovery (percent of annual operating costs recovered by passengers paying fares for all transit services except vanpools):

- Recovery was most for fixed route services — 10.74 percent, but only 3.80 percent for route deviated and 1.93 percent for demand response services. These figures are up marginally from 2000 levels for fixed route and demand response services.